

## **Cereal Growers Association**

### **Quarterly Project Report (January – March 2011) – Draft**

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P F Tracking Number:	CGA-STA-011-021
Title of Activity:	Up-scaling the Establishment of Model Satellite Stores (MoSS)
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## **Executive Summary**

The main objective of this grant is to build on the successes of the 1<sup>st</sup> Grant that had lasted from October 2009-November 2010 and whose main objective was to “improve the grain marketing systems through establishing group-based Model Satellite Stores (MoSS) to enhance marketing opportunities for small-scale farmers” The storage facilities so developed will be used by the Farmer Based Organizations (FBOs) as model centres for joint grain bulking, quality control and as hubs for market information. The grant seeks to address the challenges of fragmented / individualized marketing, high post harvest losses, inadequate market information and over-reliance on maize as a staple food. The project area will be the districts of Trans Mara (Kenya) and Kongwa (Tanzania).

Although funding for the new grant commenced on 1 March 2011, joint bulking and marketing of grain continued through January and February. The highlight of this quarter is the sharp rise in most commodity prices with the indicative maize price rising from USD 140 per MT at the start of the quarter to the current USD 340 per MT delivered to the major millers, a 140 per cent rise.

During this quarter, deliveries to WFP P4P by 17 of the 22 FBOs contracted in the previous quarter were 1,150 MT worth USD 239,450 in Kenya and 262.07 MT worth USD 55,196 by Cereal Growers of Kongwa (CGoK) in Tanzania. In the mean time, the FBOs in Trans Mara have negotiated for a direct purchase contract with WFP P4P for a total 342 MT worth USD 360 per MT. The signing of the resultant supply contracts is expected to happen in the week starting 18<sup>th</sup> April 2011 (*exchange rate of USD 1= KES 80 = TZS 1,500*).

Three Model Satellite Stores were identified at Hongolo and Lenjulu each with a capacity of 700 MT, in Kongwa and Nkararo with 450 MT in Trans Mara. Equipping of these newly identified MoSSs, as well as recruiting the stores assistants to man them, is in progress.

During the quarter, 10 FBOs with a combined membership of 517 members (273 or 53 per cent of them women) were mobilized in Kongwa district.

Two ToT courses were facilitated during the quarter in The Trans Mara area benefiting a total of 74 FBO members and leaders with 24 or 32 per cent being women. These ToTs were on Organizational Development (34 participants from 19 FBOs) and Agricultural Credit and Loan Management (40 participants drawn from 21 FBOs).

## **Details of Accomplishments for the period**

### **1. Newly Established farmer groups and increased membership of SHAs**

Ten (10) new FBOs were identified in the Kongwa area to serve the two newly identified MoSSs in the Hongolo and Lenjulu wards, with each ward representing 10 villages. The 10 FBOs have a combined membership of 517 with 273 of the members or 53 per cent being women.

#### ***Summary of FBOs identified during the quarter***

<b>FBO name</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Injili	20	35	55
Umoja ni Nguvu	42	48	90
Mshikamano	30	22	52
Faidika	40	28	68
Msamaria	24	14	38
Kanani	17	32	49
Mapinduzi	20	16	36
Motomoto	23	32	55
Upendo	7	29	36
Nyota njema	21	17	38
<b>TOTAL</b>	<b>244</b>	<b>273</b>	<b>517</b>

### **2. Establishment and Enhancement of Available Storage Capacity**

Three Model Satellite Stores were identified at Hongolo and Lenjulu each with a capacity of 700 MT, in Kongwa and Nkararo with 450 MT in Trans Mara. Equipping of these newly identified MoSSs, as well as recruiting the Stores Assistants to man them, is in progress.

### **3. Strengthening Capacity of FBOs**

Efforts to build the capacity of the FBOs, both existing and newly mobilized, continued during the quarter.

#### **a) Training of Trainers (ToT) Facilitation**

Two ToT courses were facilitated during the quarter in The Trans Mara area benefiting a total of 74 FBO members and leaders with 24 or 32 per cent being women. These ToTs were on Organizational Development (34 participants from 19 FBOs) and Agricultural Credit and

Loan Management (40 participants drawn from 21 FBOs).

The trainings were conducted by Consultant trainers drawn from both Agri and Co-operative Training and Consultancy Services Ltd and the CGA pool of trainers. Each ToT generated a workplan to be used by the ToT beneficiaries to train the other FBO members at the grassroots. This will initially be under the supervision and guidance of the Consultant Trainers and CGA staff as they hone their skills.

In all the trainings, farmers were sensitized on the harmonized EAC maize standards.

#### **4. Joint Produce Consolidation and Selling**

This was largely off season in most of the project areas. There was however some pending deliveries resulting from supply contracts signed in the previous quarter, particularly with WFP P4P.

In the Trans Mara area deliveries to WFP P4P by 17 of the 22 FBOs contracted in the previous quarter were 1,150 MT worth USD 239,450. Total beneficiaries were 432 farmers with 186 of them or 43 per cent being women. Other traders bought 951.7 MT of maize valued at USD 257,140 from 563 farmers. A further 173 MT of beans was bought from 491 farmers. Kenya Seed Company (KSC) had also contracted 17 members of Mashambani SHG to supply 23.4 MT of beans. KSC also bought 34 MT of white sun flower from 109 farmers.

In the mean time, the FBOs in Trans Mara have negotiated for a direct purchase contract with WFP P4P for a total 342 MT worth USD 123,380 (USD 360 per MT). The two FBOs are Geturo B (252 MT) and Lolgorian Grain Growers Farmers (90 MT). The signing of the resultant supply contracts is expected to happen in the week starting 18<sup>th</sup> April 2011.

In the Kongwa area, 262.07 MT worth USD 55,196 by Cereal Growers of Kongwa (CGoK) were jointly sold to WFP P4P. This was from 56 farmers out of them 22 (or 40 per cent) women.

## Other activities

***Publishing of the Sower Newsletter*** – Invitations were sent out to prospective service providers to quote for the editorial and printing services for the said magazine. Short listing and selection is expected to be completed by week starting 25<sup>th</sup> April 2011. The 1<sup>st</sup> issue of the re-launched newsletter is expected to be ready for distribution to farmers, partners and stakeholders by 30<sup>th</sup> June 2011.

***P4P Tanzania annual review meeting*** – this took place in Dar es Salaam in 23-24 February 2011 and CGA was represented by Henry Wejja.

***Grain Storage Training*** – The Stores Manager (Trans Mara), George Mabuka got a chance through the WFP P4P nomination and sponsorship of the Israeli Government, to participate at a two weeks' training in Israel (29<sup>th</sup> March 2011 to 12<sup>th</sup> April 2011). He was one of 26 participants from 16 countries (4 from Africa, 4 from Asia and 4 from Eastern Europe).

## 5. Summary of Project Impact and Results

Activity	Results	Benchmarks / Targets	Level of Achievement
1. Identify new MoSS and mobilize farmers	Tenancy agreement	3 MoSS and 10 new FBOs Identified.	3
2. Procurement of quality control equipments and market information system set up	MoSS equipment for better grain quality	All the 3 MoSS equipped.	80%
3. Hiring and training of satellite stores assistants	Personnel in place	5 stores assistant engaged	3
4. FBOs training on Group Leadership and Management	Increased smallholder membership to FBOs	3 FBO trainings conducted	2
5. Dissemination of EAC harmonized standards	Enhanced awareness of EAC maize quality and standards	200 farmers trained on EAC standards	74
6. Identify publicity service providers	Newsletter publisher selected	Initiate Newsletter publication	30%

## 6. Challenges faced during the Quarter and Recommendations

The main challenges in implementing the project included:

- i) ***Slow pace of WFP procedures*** - at times frustrates the farmers' efforts and discourages others. There has been a noted delay in issuing farmers with contracts, re-bagging bags, which consequently causes delays in uplifts and payments for delivered produce. Delay in implementing critical steps of the process: tender floated late during the season, long gap between tender opening and award of contracts, bags delivery, uplift etc.
- ii) ***Price volatility*** – this is particularly so for maize and leads to a situation where the contracted price turned out to be lower than the one the farmers were contracted at, hence the temptation to default.
- iii) ***Lack of commitment to contracts by farmers*** - due to need for rapid cash and late contracting with WFP, this has led to some FBOs getting contracts for which they deliver nothing since by the time WFP is ready for uplift and paying, all the consolidated stocks would have been sold to other buyers offering ready cash.

## **7. Lessons Learnt**

## **8. Recommendations**

- i) ***Clustering the farmers into umbrella groups*** - for effective supervision of the farmers' deliveries, several small FBOs need to be given a single contract by the large buyer. This may work through an arrangement where one FBO signs an agreement which is meant to serve several FBOs.

## **9. Activities for the next Quarter**

- Field visits to both Trans Mara and Kongwa
- Conclusion of the direct purchase agreements in Trans Mara
- Complete the renovations and equipping the newly identified stores
- Continue the ToT and grassroots trainings